



August 18, 2014

RE: Proposed Formation of Countywide Tourism Business Improvement District

Dear Lodging Owner:

Visit San Luis Obispo County (Visit SLOCo), an independent entity, is proposing a countywide tourism improvement district be formed under California Streets and Highway Code section 36600 et seq. – the Property and Business Improvement District Law of 1994 (“1994 Law”). This new district would supplement the existing local districts and include lodging businesses in the county and all of the cities in the county. It would focus on county-wide marketing, in an effort to drive room night sales at lodging businesses throughout the county and in all of our cities. Visit SLOCo has conducted several meetings recently on this proposed new district; you may have even attended one of them.

The first step for formation under the 1994 Law is submittal of a petition signed by lodging business owners who support the formation of the proposed district and who cumulatively pay more than 50% of the assessments proposed to be levied. If it has been verified that there is support of more than 50% of the assessed lodging businesses, the County of San Luis Obispo will consider initiating proceedings to form a countywide tourism improvement district as proposed by Visit SLOCo. Those steps include:

- Resolutions from each city granting consent for the County to form a district including hotels in their jurisdiction;
- A Board of Supervisors public meeting and public hearing to take public testimony and to receive any protest votes from lodging businesses;
- If there is not a cumulative protest of 50% or more of the lodging businesses, a public hearing to approve the resolution which establishes the district is required. If the new district is established, all lodging businesses in the affected area will be required to participate in the assessment.

The district would be in place for five (5) years. After the five years, the district could be renewed in increments of up to ten years, following the same petition and hearing procedure.

This petition is being sent on behalf of Visit San Luis Obispo County. If you are in support of the formation of this district proceeding to the next steps, complete the attached petition and return it in the enclosed envelope. Please return the petition by September 31, 2014.

Visit SLOCo has developed a Management District Plan which can be found at www.visitsanluisobispocounty.com or the web site noted on Page 1 of the enclosed petition. If you have any questions about the proposed district or Management District Plan, please contact Stacie Jacob at 805/541-8000 or Stacie@visitsanluisobispocounty.com

If you have any question about the district formation process, please contact Nikki Schmidt of the County Administrative Office. She can be reached at 805/781-5496 or nschmidt@co.slo.ca.us.

Enclosure: Petition to form San Luis Obispo County Tourism Marketing District

**PETITION TO THE COUNTY OF SAN LUIS OBISPO
TO FORM THE SAN LUIS OBISPO COUNTY TOURISM MARKETING DISTRICT (SLOCTMD)**

We petition you to initiate special assessment proceedings to form the San Luis Obispo County Tourism Marketing District in accordance with the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 et seq., for the purpose of providing services as described in the summary of the Management District Plan attached hereto as Exhibit A.

Lodging Establishment

Business Owner

By my signature below, I certify that I am authorized to sign this petition on behalf of the business(es) listed above.

Owner Representative/Owner Name (printed)

Title

Owner/Representative Signature

Date

A complete copy of the Management District Plan will be furnished upon request. Requests for a complete copy of the Management District Plan should be made to:

For copies or questions:

Ms. Stacie Jacob, CEO
Visit San Luis Obispo County
835 Twelfth Street, Suite 204
Paso Robles, CA 93446
(805)541-8000
Stacie@visitsanluisobispocounty.com

To return signed petition by mail:

County Clerk-Recorder's Office
ATTN: Countywide BID Process
County of San Luis Obispo
1055 Monterey Street Room D120
San Luis Obispo, CA 93408

The Management District Plan is also available online at: <http://tinyurl.com/SLO-MDP>

EXHIBIT A
MANAGEMENT DISTRICT PLAN SUMMARY

- Location:** The proposed SLOCTMD includes all lodging businesses located within the boundaries of the cities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, and San Luis Obispo, and the unincorporated portions of the County of San Luis Obispo, as shown on the attached map.
- Services:** The SLOCTMD is designed to provide specific benefits directly to payors by increasing room night sales. Marketing, sales, promotions, and advertising will increase overnight tourism and market payors as tourist, meeting, and event destinations, thereby increasing room night sales.
- Budget:** The total SLOCTMD annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$2,800,000. This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the SLOCTMD's term.
- Cost:** The annual assessment rate is one percent (1%) of gross short-term (stays 30 or fewer consecutive days) room rental revenue. Based on the benefit received, assessments will not be collected on certain stays as described in Section V of the Management District Plan.
- Duration:** The proposed SLOCTMD will have a five (5)-year life. The SLOCTMD assessment will be implemented beginning January 1, 2015 (or as soon thereafter as practicable) for five years, through December 31, 2019 (or five years from the actual start date). Once per year beginning on the anniversary of the formation of the district there is a 30-day period in which owners paying more than 50% of the assessment may protest and initiate a Board of Supervisors hearing on district termination.
- Collection:** The assessment will be collected at the same time and in the same manner as are Transient Occupancy Taxes. The County and each City will be responsible for collecting the assessment from lodging businesses within their respective jurisdictions on a monthly or quarterly basis (including any delinquencies, penalties and interest).
- Management:** Visit San Luis Obispo County (VSLOC) is the nonprofit corporation which will serve as the SLOCTMD's Owners' Association. As the Owners' Association, VSLOC is responsible for managing funds and implementing programs in accordance with this Plan. The VSLOC Board of Directors and staff will be responsible for day-to-day program management and direction, within the guidelines set by this Plan. On an annual basis, VSLOC must provide a report on TMD activities and expenditures to the Board of Supervisors.

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MANAGEMENT DISTRICT PLAN SUMMARY

Boundary Map

